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ABSTRACT

Because of the comprehensiveness and complexity of the numerous reports on financing postsecondary education, appropriate dissemination to decisionmakers and educators at all levels was crucial. To assist in the dissemination process, the Education Commission of the States (ECS) conducted a series of regional conferences, concluding with a national conference, on the general theme of postsecondary financing. This report summarizes and highlights that conference series. Participants discussed modes of financing which would expand resources for delivering education, ways of providing education within existing budgets, possibly even shrinking budgets. The discussions focused, in part, on accountability, greater efficiency and productivity standards, and the relative fiscal health of the levels of government. At the national conference several analysts and planners offered new insights and directions for postsecondary financing. (Author/JMF)

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FINANCING POSTSECONDARY EDUCATION

Policy Development and Decision Making

The Report of the Conference Series

Report No. 69
Education Commission of the States
Denver, Colorado 80203
Wendell H. Pierce, Executive Director

May 1975

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I. INTRODUCTION

A. Reports on Financing Postsecondary Education

Since 1972 several major reports developed by commissions and task forces have made recommendations and suggested policy directions for the financing of postsecondary education. One such recommendation was developed by the Committee for Economic Development (CED) in a publication published in 1973, The Management and Financing of Colleges. The CED recommendation generally called for a reallocation of public resources emphasizing increases in grants directly to students. It recommended increased tuition in the public sectors and suggested that the added income could be used in the form of student aid to lower-income students for the general purpose of equalizing educational opportunities.

The Carnegie Commission on Higher Education also issued reports relative to financing policies for postsecondary education. These included: (1) Priorities for Action: The Final Report of the Carnegie Commission on Higher Education, (2) The More Effective Use of Resources: An Imperative for Higher Education, (3) Higher Education: Who Pays? Who Benefits? Who Should Pay? and (4) a report which served as a supplemental statement entitled Tuition, published in 1974. These reports recommended an increase in the federal share of the support of postsecondary education. Increased tuition in the public sector was recommended, with a graduated tuition level determined by the student enrollment level. Also recommended were increases in student aid, particularly in terms of programs targeted to students from the lower economic strata.

In 1973, the report of a special task force to the Secretary of Health, Education and Welfare, The Second Newman Report, National Policy in Higher Education, was released. The report, referred to as the "Second Newman Report," recommended the development of clearly stated objectives for postsecondary institutions and the relating of resources to those objectives. It also urged institutions, public and private, to be more competitive with each other and to compete for students and resources. The task force based this position on the observation that increased competition would improve services to the consumers of postsecondary education.

While several reports have been issued on the financing of postsecondary education, little attention had been given until recently on a commission study basis to the financing of graduate education and research. With the creation of the National Board on Graduate Education, several reports and recommended policies, particularly for the federal role in the financing of graduate education, have been issued. The National Board reports include: Federal Policy Alternatives Towards Graduate Education, Doctorate Manpower Forecasts and Policy and Graduate Education: Purposes, Problems and Potential. In these reports the public policy issues facing graduate education and research were discussed. Specific recommendations were offered for federal support of fellowships and financial-aid programs for historically disadvantaged groups, including women and older students. While recognizing that the states and the private sector have the primary responsibility for institutional support, certain recommended channels for financing graduate education in the institutions were offered.

In 1973, the report of the National Commission on the Financing of Postsecondary Education, authorized by the Education Amendments of 1972, was published. The commission assembled and reported on a comprehensive data base for postsecondary education including the public, private and proprietary sectors. The report articulated a series of national objectives and offered analyses and methodologies for assessing the probable impacts of financing policies in terms of achieving these objectives.

Another publication, the report of a task force of the National Council of Independent Colleges and Universities, A National Policy for Private Higher Education, was released late in 1974. Dr. Howard R. Bowen, the task force's consultant, addressing the January 1975 National Conference on Financing Postsecondary Education cited the major recommendations of the report: (1) the offering of federal incentive grants to states to encourage them to provide assistance to students in private institutions, (2) modification of student-aid programs to provide more assistance to students in private institutions, (3) avoidance of wasteful duplication of services through unneeded new public programs, (4) maintenance and extension of tax exemptions, (5) continuance of the federal program for developing institutions, (6) increased federal funding for research, graduate and professional education and (7) increased availability of funds to private institutions through federal and state matching grants and through tax-exempt bonding for replacement, remodeling and reconstruction of buildings.

B. Development of Conferences

Because of the comprehensiveness and complexity of these numerous reports, appropriate dissemination to decisionmakers and educators at all levels was crucial. To assist in the dissemination process, the Education Commission of the States (ECS) agreed to conduct a series of regional conferences, concluding with a national conference, on the general theme of "Financing Postsecondary Education: Policy Development and Decision Making."

ECS had provided staff assistance to Winfield Dunn, former governor of Tennessee and a commissioner on the National Commission on the Financing of Postsecondary Education. Governor Dunn had also served as chairman of ECS and in the final report of the national commission, he observed:

> "...from my perspective the most important period in the history of the commission is still ahead. The impact of the final commission report will be dependent upon its dissemination, particularly to policymakers who must make decisions affecting postsecondary education.
>
> "Regarding the work of this commission, I have relied on the Education Commission of the States for advice and assistance. The Education Commission of the States has strong channels of communication with education decision-makers in every state. I expect to seek their assistance in disseminating the findings and recommendations in our report and I encourage the full commission to do likewise."

With the ECS conference series, opportunity and common forum would be provided for state legislators, state budget officers, state agency personnel, representatives of governors, federal officials and members of Congress and representatives of the public, private and proprietary sectors of postsecondary education to discuss and debate public policy vis-à-vis postsecondary financing.

Sponsorship of numerous organizations and broad-base support for the conferences were sought, resulting in 30 education associations and agencies, including the National Association of State Budget Officers, agreeing to sponsor. This cooperation involved contributing to the planning processes for the conferences such as development of background materials to be circulated to conference participants, serving as program and conference participants, assisting in publicity and announcements about the conferences and having their members and representatives participate in the conferences. These sponsors are listed at the beginning of this report. Financial support for the conferences was provided by the Carnegie Corporation of New York, Ford Foundation and the U.S. Office of Education (Office of Planning, Budget and Evaluation). The Associates Program of the Institute for Educational Leadership provided travel and expenses for certain state-level public officials to attend the conferences.

A planning group from the cooperating sponsors was appointed, and in the early planning stages interest was expressed in expanding the substantive focus of the conferences beyond the reports on financing of postsecondary education. It was felt that presentation and discussion of the broader economic context should be part of the conference programs, and financing policies for postsecondary education be viewed in relationship to other federal, state and local financing commitments. Current obligations and probable commitments for the immediate future should also be considered. The conference planners also urged that some attention be given to demonstration and illustration of national and state-level planning models used in the process of developing financing policies and decision making.

The conference sponsors and planners developed the following broad purposes for the regional conferences and concluding national conference:

1. Review and debate of the major findings and recommendations of the several task force and commission reports relative to postsecondary financing policy directions, including critiques of such reports.

2. Development of greater regional and national common bases for understanding the several and varying perspectives that relate to policy development and decision making in financing postsecondary education.

3. Setting forth a common forum for federal, state and local decisionmakers and educators, faculty and students from the public, private and proprietary sectors of postsecondary education to ensure greater cooperation and reinforcement in the delivery and consumption of postsecondary education services using the issues and alternative financing modes as a point of departure.

4. Some field testing on the use of national and state-level planning models in support of policy development and decision making in postsecondary financing.

C. Conference Handbook and Report

In order to better familiarize conference participants with the issues, task force and commission reports and their critiques, and the utility of planning models, a conference handbook was

developed. (A limited number of copies of the handbook and copies of other papers used during the conferences are available. See Chapter III, page 23.) The handbook has a section on statements and/or reactions by postsecondary education associations and agencies relative to the commission and task force recommendations on financing policies. This section proved to be the basis for discussion in the working sessions of the conferences. Enhancing these discussions was a paper in the handbook by Carol Van Alstyne, chief economist for the American Council on Education, entitled, "Progress Report on the National Debates About Financing Postsecondary Education: Ten Basic Issues." These contributions and others referred to elsewhere in this report illustrate the many contributions to the conferences made by the sponsors and those providing financial support.

The following chapters of this report, published primarily for the use of the cooperating sponsors and supporters and the conference participants, consist of a report of the highlights of the regional conferences, a report on the concluding national conference and reference to the several publications and papers prepared for the conference series.

After each regional conference a brief report was prepared particularly for use at subsequent conferences. These "highlights" contain the major points relative to perspectives of decisionmakers and educators in a particular region concerning financing policy directions. From the beginning of the planning for the conference series, those responsible for its planning and organization encouraged brief reports, brief presentations and a separating of substance

from rhetoric and generalization. Somewhat notable from the highlight reports, important differences among the regions surfaced in considering financing policy directions for postsecondary education.

D. Conference Summaries

At the conference held in Atlanta, participants discussed modes of financing which would expand resources for delivering education and permit significant increases in the participation rates of persons from socioeconomic levels who traditionally faced insurmountable barriers to college. At the San Francisco conference, participants placed greater emphasis on providing postsecondary education within existing budgets, possibly even shrinking budgets. Their discussion focused on accountability, greater efficiency and productivity standards and the relative fiscal health of the levels of government. In Boston the speakers and participants saw preserving and strengthening the financially troubled private sector as their number one concern.

Although there are major differences among the regions, important similarities should be noted. State legislators and their staffs are quite knowledgeable and well informed about financing issues and approaches, and about postsecondary education generally. Throughout the conferences this was noted. Moreover they showed considerable interest in reviewing and participating in the demonstration of the use of on-line computerized studies and model simulations for statewide and national analyses of postsecondary financing modes. At the Boston conference, for example, an informal session was held for legislators from neighboring states to discuss the level of

detail in which the legislature should involve itself in postsecondary institution budgets.

Similar to the regional conferences, the national conference participants had varying and vastly different points of view regarding policy directions for financing postsecondary education. Some argued for low tuition at public postsecondary institutions. Others argued for a graduated tuition assessment dependent upon student enrollment level. There were advocates for increased aid to private postsecondary education to narrow the tuition disparity between the public and nonpublic institutions. Members of Congress who participated favored increased funding for student aid programs and encouraged educators to improve their approaches for presenting justifications for postsecondary financing needs. Congressman Albert Quie (R-Minn.) called for more rationally presented budget requests. At the regional conference in South Bend, Congressman John Brademas (D-Ind.) made a similar plea. Several analysts and planners offered new insights and directions for postsecondary financing. Reference is made to these in the report of the highlights of the national conference, pages 21-22.

II. HIGHLIGHTS OF THE CONFERENCE SERIES

A. San Francisco, California: September 30-October 1, 1974

Houston I. Flournoy, California state controller and candidate for governor, opened the conference with a five-point anti-inflation program. He urged the following:

1. A three-year degree program for undergraduates.
2. Greater use of educational television.

3. Better use of physical facilities.

4. Implementation of the "extended university" concept.

5. Development of reasonable productivity standards for faculty and administrators.

Richard Soderberg, from the California Department of Finance, reported in a general session on a survey he had conducted of eight neighboring states which indicated that state budget officers consider funding for higher education of relatively low priority.

Speaking of the fiscal health of the federal government, William Robinson of the Congressional Research Division, Library of Congress, suggested that the most viable source of governmental fiscal strength is at the state level, not the federal or local levels. However, state legislators Howard Cherry from Oregon, Leroy Greene from California and Gordon Sandison from Washington state did not share his confidence that state-level finances represent such fiscal health.

Several postsecondary institution presidents called for reassessment of the relative priority for education. President Stanford Cazier, California State University, Chico, cited the need for improved output measures thereby enhancing the reassessment processes. Others pointed to the many societal and individual accomplishments made possible by the investment in postsecondary education.

Many conference participants saw a need for addressing certain public concerns about postsecondary education financing. Such concerns included accountability issues, greater educational opportunity for all potential postsecondary consumers and improved

assessment techniques and information bases in order that better judgments might be rendered in the decision-making processes relative to postsecondary education financing.

B. University of Notre Dame, Indiana: October 4-5, 1974

Congressman John Brademas of Indiana urged the development of more rational bases for analyzing policies for financing postsecondary education. He cited the report of the National Commission on the Financing of Postsecondary Education as stimulating and searching dialogue for more rational bases, viewing it as an important first step. Congressman Brademas encouraged the conference participants to build upon the work of the National Commission, the Carnegie Commission, the Newman task force, the National Board on Graduate Education, the Committee for Economic Development and the National Commission on Nontraditional Study -- giving more serious attention to proposals which can be put forward and justified.

Edward Gramlich, a Brookings Institution economist, raised these questions: "Given the rising, or exploding, costs of college education, and the falling relative returns, is it right for state governments to keep footing such a large fraction of the bill for students from all income classes? Maybe there should be measures to encourage students to ask themselves whether they really want this college education so much."

Financial-aid directors and other workshop participants recommended funding mechanisms, in terms of student-assistance programs, which target grant aid directly to students. There seemed to be a consensus that while targeted grants are most effective in enhancing the national objective of universal access,

insufficient funds continue to be a major problem. Some suggested limiting grant assistance to students at public and private post-secondary institutions and excluding the proprietary sector.

Interest was expressed in the use of improved management techniques and models for planning purposes but it was agreed these currently have shortcomings. Selected state-level financing studies were discussed, centering on what might improve the state of the art for such state-level studies. However, Harry Yamaguchi, graduate dean at Indiana State University, cautioned the conferees about seemingly simple solutions to providing for more efficient and effective ways for "managing" postsecondary education. He cited the complexities of the management structure from the localized, or departmental, level to the statewide level -- and in some instances to the national level -- with varying levels in between. Many participants seemed to agree.

C. Denver, Colorado: October 30-31, 1974

Douglas Jones, an economist with the Congressional Research Division of the Library of Congress, observed that "setting priorities" has taken on a new connotation. It still implies selection of major directions or programs, but "setting priorities" has moved from a primarily managerial and political concept to an economic concept of fiscal concern. At the same time, he noted that the public is asking tougher questions about government programs and requiring measures of performance and in-depth evaluations to see if program objectives are in fact being met.

Ben Lawrence, director of the National Center for Higher Education Management Systems at WICHE, observed that educators have not only failed to take the time to "toot their own horn" but have not even tried to measure many of the good effects that postsecondary education has had on individual students and on the nation.

Workshop participants debated and reviewed strategies and alternatives for developing postsecondary financing policies and were sensitive to emerging economic constraints and increased public scrutiny. Development of more rational approaches for presenting, justifying and defending postsecondary education policies and accomplishments was seen as a first priority for education leaders by the state legislators, state budget personnel and other state leaders in attendance.

D. Atlanta, Georgia: November 18-19, 1974

Economist Kenneth Quindry, a University of Tennessee economics professor, in reporting on the fiscal capacity of governments to support public services, noted that most tax structures that support postsecondary education are either regressive or at best mildly progressive. The result is that low-income taxpayers contribute a greater share of their income either as taxes to support postsecondary education or as fees to support their dependents in colleges and universities. Moreover, the percentage of college-age citizens in the low-income groups attending institutions of postsecondary education is less than that in middle- and high-income groups. Taxes per "disposable" income supporting each student are more unevenly distributed than are family taxes as a percentage of disposable income. More equitable financing is needed, he concluded.

Miles Fisher, National Association for Equal Opportunity in Higher Education, in discussing the impacts of financing policies and the absence of adequate and complete follow-through, observed the following: "Every advocate of equal educational opportunity with access, choice and achievement must speak to the issues, for this may be our 'last opportunity' to modify the direction of some deep-seated trends that will consign blacks, minorities and other low-socioeconomic populations to nonessential positions on the periphery of the mainstream of these United States without the ability, resources, insight, foresight or fortitude to summon their limited resources to address the relevant problems and issues."

A number of questions were discussed in the workshop sessions including the following:

1. How can the need for good institutional management and leadership best be met? By sharing resources with other institutions, using available resources to best advantage, fostering retention instead of expansion of the student population and promoting reliance on state rather than federal funds?
2. To what extent is institutional aid required to provide for compensatory services, as opposed to student aid?
3. To what extent does student aid foster unethical recruitment practices and what can or should be done about them?
4. What methods of accountability can state governments (including legislatures) use to decide on which institutions and programs to support? For example, indicators of educational quality and comparative data on cost per student?

State legislative leaders who participated in the conference encouraged the improvement of information bases of postsecondary education.

E. Boston, Massachusetts: December 9-10, 1974

In the keynote address, Robert W. Eisenmenger, senior vice president of the Federal Reserve Bank in Boston, suggested that, in view of the New England economy, there probably is a need to raise tuitions at the New England public colleges and universities. He warned that New England state legislators might even wish to cut back on certain public postsecondary programs, but agreed that substantial increases would be needed in state funded student-aid programs.

Florida State Senator Robert Graham, chairman of the senate education committee, said that as states assume more of the cost for paying for elementary-secondary education, competition for the higher education dollar will become more fierce. John Silber, president of Boston University, called for an end to the expansion of public higher education facilities and said it would be cheaper for the state to support existing private institutions than to expand public higher education.

A catalytic effect of this conference was an informal meeting for legislators on the subject of legislative budgetary involvement in public higher education institutions. Attended by legislators from several states, statewide postsecondary agency directors and others, the meeting included discussion of such critical issues as the extent to which postsecondary governing decisions should be considered in the budgetary process. The legislators who attended perceived a need for a more detailed and specific decision-making role for themselves as a way to increase educational accountability.

Several encouraged the raising of state-level questions, not "detail" questions like faculty teaching loads. For example, questions should be raised about broad national and state policy goals, such as access to postsecondary education.

The participants at both the conference and the legislative session encouraged the development of better information bases for higher education. With improvement of information bases on postsecondary education, critical state and national questions about postsecondary education relative to financing could be answered better.

F. The National Conference, Washington, D.C.: January 15-17, 1975

At the national conference, leaders in postsecondary education suggested ways in which colleges and universities can help the ailing economy and recession. They suggested anti-inflation and antirecession roles for American postsecondary education. "Postsecondary education can indeed make a contribution to national efforts to deal with the problems of our economic distress, particularly unemployment," said Roger W. Heyns, president of the American Council on Education. As quoted in the January 27, 1975, issue of the Chronicle of Higher Education, he went on to say that "rather than relying on public employment, tax reduction and unemployment compensation, national policies should recognize and encourage a role for higher education in anti-inflation and antirecession measures. If we can justify a tax break for business to buy new machinery on the grounds that such new tools will increase productivity and thereby fight inflation, we can surely do the same thing for public investment in our schools."

Allan W. Ostar, executive director of the American Association of State Colleges and Universities stated in his address that his "organization was preparing a proposal for a G.I. Bill for the unemployed which would send jobless workers to college at government expense." He did not see the G.I. Bill for the unemployed as a substitute for employment for those who need it, but as an additional way to help those who would benefit from further education and at the same time be better equipped to benefit society. Dr. Ostar illustrated this as the type of positive thinking about financing higher education which is needed at this time.

The conference began with an analysis of President Gerald Ford's State of the Union message, which was televised for the conferees, by Dr. Heyns and Dr. Robert Hartman, senior fellow at the Brookings Institution. Dr. Hartman observed that (1) the tax cut may be too small, (2) the President repeated the myth that the cause of inflation is federal spending, (3) money will not be pumped into the economy fast enough under the public-service employment program, (4) the country has too much idle capacity, (5) there needs to be restraint in wage bargains which in the past have been built into the price structure and (6) full employment economy would help higher education. (Further elaboration on his analysis is covered in the AAUP Legislative News, January 1975, No. 3 published by the American Association of University Professors.)

Dr. Heyns observed that priorities should be given to closing the gap between needed and available resources for student assistance. Failure to close this gap will have serious consequences for the economy as well as for the national commitment to expand educational opportunities for all citizens. Drawing from the President's speech,

he observed the need for "...sensitizing ourselves and the federal government to perceive higher education as one of the vehicles for dealing with our economic problems." He added: "It seems to me that our youth especially should be encouraged to improve their productivity through postsecondary education. Over 50 percent of postsecondary students today are part-time, mostly employed, older and seriously concerned with occupational needs. Further incentives for part-time study would directly address the needs of workers to upgrade their skills and would address the mismatch between the needs of the employers and the capacities of people seeking jobs." He observed little attention in the State of the Union message to the utilization of education as a vehicle for engaging the ailing economy in the nation.

Pennsylvania's Governor Milton J. Shapp in his address proposed a national trust fund to help the financing of education at all levels. He noted that the present hodge-podge financing systems are not working and will not work. Under his proposal, the federal government would establish a trust fund that initially would pay 25 percent of education costs and eventually 50 percent. Federal appropriations would finance the fund at first but the program would be supported on a continuing basis by an extra tax on persons who received the education -- not unlike how the users of roads finance the highway trust fund through gasoline tax. Governor Shapp noted that such a plan would free the educational system from the uncertainties of year-to-year financing, make effective long-range planning possible and keep educational policy out of the political reach of government.

Larry L. Leslie, professor and associate at the Center for the Study of Higher Education at the Pennsylvania State University,

questioned a key assumption that had been made by the Committee for Economic Development (CED) and that is related to the other major reports on policy directions for postsecondary financing. This assumption relates to how students in various income levels behave as tuitions are raised and as the pool of need-based student-aid programs is enlarged. Dr. Leslie's analysis suggests that as tuitions rise, the middle-class do not "enroll at any cost." He indicated that "students from lower-income families do not appear to behave quite as they are supposed to, relative to the key assumption. That is, increased tuitions are excluding potential student enrollees whose families would be considered in the middle-class." He also noted that the latest American Council on Education (ACE) national survey of beginning freshmen supports his proposition that there is fault with the CED key assumption. The ACE survey indicated that the percentage of low-income students attending postsecondary education today is no higher than it was before the availability of well over $1 billion in additional student-aid funds. Since 1972, the proportion of these low-income students apparently has declined slightly even when one adjusts for changes in the value of the dollar.

Carol Van Alstyne, chief economist at the American Council on Education, observed the relationship of current economic conditions and declining enrollments in postsecondary education as having something other than previously identified relationships. She suggested that the inadequate funding of student-assistance programs is a contribution to the enrollment decline. Postsecondary institutions have used their scarce financial resources to aid low-income students and thereby have been forced to increase tuition to other students.

This has caus[illegible] a widening tuition gap in institutions and has further widened the gap between the tuitions of public and private institutions.

David D. Henry, chairman of the National Board on Graduate Education, noted that while a number of national reports and commissions have addressed the issue of higher education finance, graduate education and research have rarely been included in the discussions in these reports. The university is the principal agency in society for the creation of new knowledge that undergirds the education provided at the lower levels, he observed. Yet it is being ignored or passed over lightly by those responsible for setting public policy in financing higher education.

During the smaller group discussions at the conference, one rapporteur, Lois E. Torrence, president of the Association for Institutional Research, reported agreement among the panelists on the subject of critical issues relating to student financial-assistance programs. Panelists expressed concern about the absence of adequate coordination of federal, state and local efforts toward student-aid programs. This, they observed, compounds the difficulty of such programs not being fully funded.

Pat Smith, Policy Analysis Service of the American Council on Education, reported on the proceedings of a panel and discussion session of state-level officials reacting to presentations made by members of Congress and staff from Congressional committees concerning jurisdiction relating to federal education programs. She reported that the discussion ranged from a state budget officer observing a need for "...management analysts to find out what is going on in our universities" to Pennsylvania State Senator Jeanette Reibman noting the need for increased federal funding for postsecondary education

if inequalities among the states are to be reduced. While considerable interest was expressed by state officials in having more and better data about postsecondary education, Ben Lawrence, director of the National Center for Higher Education Management Systems at WICHE, cautioned that data collection and reporting cost additional money at the institutional level and asked whether the states would make provisions for these additional costs.

The conference concluded with presentations made by several analysts and observers citing the trends and directions of postsecondary education with major implications for policy direction of postsecondary financing. Miles Fisher, executive secretary of the National Association for Equal Opportunity in Higher Education, deplored the movement of apparent encouragement of competition between low-income students and middle-income students, particularly with regard to the regulations for implementing federal student-aid programs.

Joseph Kane, consultant for the Association of Jesuit Colleges and Universities, called for financing policies which would be developed on more objective data bases such as the base developed by the National Commission on the Financing of Postsecondary Education. Reliance on objectively developed data bases would enhance equitable distribution of funds in a pluralistic system of postsecondary education. After noting the changing environments and clientele of postsecondary education, Dan Martin, president of Associated Colleges of the Midwest, observed from the conference proceedings the consensus that public policy financing recommendations should be made with clear projections about their effect on the entire postsecondary community. That, he said, would improve our public credibility. When claims are made that certain financing

programs are targeted for one social class or income group, census data to support the claim and put it in perspective should be produced.

Supportive of this line of thinking, George Weathersby, professor at Harvard University and former research director for the National Commission on the Financing of Postsecondary Education, encouraged continued debate of policy development for postsecondary financing and assessment of the probable impacts. He noted considerable reluctance and resistance towards the use of models in support of the process for considering financing alternatives in education. As he put it: "A couple of years ago I would get laughed out of the room." But he concluded "I observe more and more people encouraged by conferences, such as this conference series on postsecondary financing...When you have capable researchers, policy analysts, representatives of the various sectors of the postsecondary enterprise and governmental officials from all levels and the political forces rubbing minds together, you will get a few sparks and you'll also have the possibility of a substantial increase in the light that all of us share."

Dr. Weathersby had the last word for the conference series. The conference planners and sponsors trust others will share his view.

*III. REFERENCE SECTION**

1. Bowen, Howard R., "The Private Presence in American Higher Education."

   Dr. Bowen, Avery professor of economics at Claremont Graduate School, reviews the report of the National Council of Independent Colleges and Universities, A National Policy for Private Higher Education. This report, the result of a Task Force of the National Council on which Dr. Bowen served, proposes that the federal government offer incentive grants to the states to encourage them to make grants to students attending private institutions and to modify student-aid programs in order to provide more assistance to students of private institutions. It further recommends the avoidance of wasteful duplication of services through unneeded new public programs, the maintenance and extension of tax exemptions and the continuation of the federal program for developing institutions as provided for in the Education Amendments of 1972. The report recommends increased federal funding for research, graduate and professional education and the availability of capital funds to private institutions, either through federal or state matching grants, for replacement, remodeling or construction of buildings and makes provision for tax-exempt bonding.

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* Copies of the reports and background materials referred to in this chapter are available in limited quantities, without charge except for postage, from the Education Commission of the States, Higher Education Services, 1860 Lincoln Street, Denver, Colorado 80203.

2. Brademas, The Honorable John, "Remarks Before the Midwest Regional Conference."

U.S. Representative Brademas of Indiana reviews the Education Amendments of 1972 as they relate to higher education. The law extended all existing programs of student assistance for three years and created the new program of Basic Educational Opportunity Grants under which each student would have an entitlement of up to $1,400 per year, less expected family contribution. It also created the Student Loan Marketing Association authorized to buy, sell and warehouse federal guaranteed student loans in order to stimulate new loan capital. The National Institute of Education was created under the Amendments and the National Commission on the Financing of Postsecondary Education was authorized. In his address Representative Brademas cites the objectives and mandates for the National Commission as well as commenting on other programs relative to higher education in the Amendments. He focuses his remarks on the variance of the intent of programs for higher education as authorized by the Congress and the eventual changes in these programs as a result of the Administration's guidelines and funding.

3. Education Commission of the States, Conference Handbook: Financing Postsecondary Education: Policy Development and Decision Making, September, 1974

This handbook has a collection of background materials used for the conference series and was circulated in advance of the conferences. Issue papers on critical issues in postsecondary financing are included in the handbook. Also included is a digest of the major task force and commission reports on financing,

together with a technical paper on the use of models relative to policy development and postsecondary financing.

4. Eisenmenger, Robert W., "Remarks Before the Boston Regional Conference on Postsecondary Financing."

   Mr. Eisenmenger, senior vice president of the Federal Reserve Bank in Boston, addresses the harsh economic climate particularly as it relates to the New England area. He states that there may well be a need to increase tuition and fees at public colleges and universities. He also observes that there may exist many marginal academic programs which need to be eliminated for economic reasons and that educators and policymakers in post-secondary education should explore the feasibility of conducting regional programs.

5. Engen, Timothy R., "Review of Student Response: A Summary."

   Mr. Engen, a former commissioner of the National Commission on the Financing of Postsecondary Education, had conducted a study in connection with the work of the National Commission which consisted of a series of review sessions of students across the country for their reactions to financing policies and financing policy alternatives. A striking factor coming from the result of this survey of students indicates the high degree of interest students have in self-development and employability relative to the purposes of postsecondary education.

6. Fisher, Miles M., "Impact of Financing Policies on Developing Institutions."

   Mr. Fisher, executive secretary of the National Association for Equal Opportunity in Higher Education, discusses the present financial crisis and the factors of limited financial resources. He notes that current student financial-aid policies have caused

the College Scholarship Service to change its need-analysis curve, shifting resources from nonparticipant institutions to institutions that participate in the College Scholarship Service program. This shifts resources from lower-income students in the developing institutions to students in other institutions that are not adequately responsive to the needs of low-income students. He observes that more campus-based money would be needed and that other student-aid programs should be increased in order to offset this deficit in available resources. He also remarked that this appears to be a departure from the national objective of equal educational opportunity.

7. Gramlich, Edward M., "National Priorities and the Public Financing of Higher Education."

Dr. Gramlich, senior fellow economist at the Brookings Institution, cited the need for stabilizing public spending. The government is obligated to eliminate any unequal advantages due to inherited wealth, to pursue antidiscrimination policies and to design labor market policies which promote upward mobility, thereby making college attendance financially feasible for all people. A weapon against inflation, he continues, would be that of encouraging the student to ask himself if he really wants a college education. "Public funds for higher education get scarcer as college costs rise more rapidly.

8. Hartman, Robert W., "The Federal Budget Outlook and Its Implications for Higher Education."

This text, prepared by Dr. Hartman, senior fellow at the Brookings Institution, was the basis for his analysis immediately

following the President's State of the Union address. His remarks from this paper were given at the concluding conference in Washington, D.C., on January 15, 1975. In this paper he observes that there ought not be a holding back on new higher education programs or increased funding for existing programs simply because of inflation. He gives the rationale and the economics for such a position.

9. Henry, David D., "Major Reports on Postsecondary Financing in the Context of Today's Economic Squeeze."

Dr. Henry, chairman of the National Board on Graduate Education, cites in this paper the apparent neglect of considering financing policies for graduate education in the most recent reports, commission studies and task force efforts relative to public policy and postsecondary financing. He discusses the important relationships among graduate education and research and other levels of higher education. Any effort to alter the financing modes for postsecondary education in general must be considered in the context of the impacts and alternatives for the financing of graduate education. He cautions against neglecting financing modes which do not take into account the consequences for graduate education and research and observes what might be called disinterest in high priority for support of graduate education and research.

10. Jones, Douglas N., "Some Aspects of the Current Economy as Backdrop to Financing Postsecondary Education."

Following a discussion based on economic statistics, propositions and forces in the economy, Mr. Jones, an economist at the Library of Congress, expressed several opinions. He suggested that in

terms of fiscal health among the three levels of government, the states are in a healthier situation than the federal government and among the three, local governments experience the most fiscal plight. The higher education community should be more rationale and documentation-oriented in its presentation of proposed budget needs to the Congress and to the executive branch of government. He observed that education will need to readjust to its no-growth posture and that present emphasis on matters such as "civil systems" and "futures research" will be most likely felt negatively relative to financing of postsecondary education.

11. Lawrence, Ben, "Reflections on the Report of the National Commission on the Financing of Postsecondary Education in the Context of the Economic Squeeze."

Dr. Lawrence, former executive director of the National Commission on the Financing of Postsecondary Education and currently director of the National Center for Higher Education Management Systems, talks about the initiatives developed by the National Commission. These initiatives included the first on-line comprehensive data base, an inventory of support programs for financing postsecondary education, an analytical model and framework process with alternatives and a taxonomy of funding mechanisms. A very important innovation provided by the work of the National Commission was the actual involvement of members of Congress and Congressional staff in policy analysis utilizing management information techniques and employing the use of models to bring about some recognition of the problems involved. He also recommended approaches for financing postsecondary education particularly with regard to state-level activities and state-level initiatives.

12. Lawrence, Ben, "Postsecondary Education in Hard Times: Appearances and Realities."

Dr. Lawrence discusses the leveling off of enrollments in postsecondary education, the low relative priority for postsecondary education and the scarcity of resources. He offers criteria which might be used in assessing or gauging the extent to which programs for financing postsecondary education are in effect meeting national and/or their stated objectives.

13. Leslie, Larry L., "Comments Presented at the National Conference on Postsecondary Financing."

Professor Leslie, research associate at the Center for Higher Education of Pennsylvania State University, questions a fundamental assumption relative to several commission reports and task force efforts on policy directions in postsecondary financing. He analyzes this assumption, offers new evidence and hypothesizes that middle-income students will not attend postsecondary education "at any price." He explains why the existing data-base efforts and their analysis have failed to take into account a factor which renders the key assumption faulty.

14. Ostar, Allan W., "Financing of State Colleges and Universities."

Dr. Ostar, executive director of the American Association of State Colleges and Universities, reports on a study underway by the association that would call for a "G.I. Bill" for the unemployed and would provide opportunities for postsecondary education to be responsive to the economic squeeze and recession. In addition to this proposal, his paper suggests positive steps which might be taken for greater responsiveness for

alleviating some of the economic difficulties besetting the country, using higher education as one vehicle.

15. Quindry, Kenneth E., "An Evaluation of States' Capacity to Support Post-Secondary Education."

Professor Quindry, economics professor at the University of Tennessee, described the fiscal strengths of the southeastern states. He discusses the use of student fees and taxes as the means for funding higher education; the distribution of student costs among student and public costs; federal, state and local government support of both public and nonpublic institutions; and the determination of the optimum level of support for higher education.

16. Rachal, Anthony M., Jr., "Impact of Financing Policies on Developing Institutions."

Mr. Rachal, an administrator at Xavier University in Louisiana, discusses the problems of traditionally black colleges and universities and their unique financial needs to support the special programs and to be responsive to the needs for disadvantaged students. In his paper Mr. Rachal specifies these uniquenesses and what needs to be done.

17. Robinson, William, "Financing Post-Secondary Education: Competing Claims on Limited Resources."

Mr. Robinson, an economist at the Library of Congress, traces the fiscal positions of all levels of government and the prospects for the future with regard to the fiscal health of the varying levels of government. This study shows the state level as the strongest among the three levels. The prospects for postsecondary financing are accounted for in the context of these competing needs at all levels of government. He notes

that student-support programs probably will continue to be the major vehicle for federal financing of postsecondary education.

18. Shapp, The Honorable Milton J., "National Education Trust Fund."

Pennsylvania's Governor Shapp proposes a national education trust fund modeled, with some differences, after the highway trust fund which financed construction of the interstate system. There would be some initial federal support, but eventually the program would be self-financing. He suggests that such a process would eventually eliminate the considerable political involvement in the policies of financing modes for education.

19. Stanford Research Institute, "Federal Programs of Student Aid by State."

The tables and charts developed by the Stanford Research Institute, Menlo Park, California, indicate the varying participation by states in the several student assistance programs at the federal level. Dollar volume is indicated for certain programs between the years 1968 and 1973.

20. Systems Research Inc., "Data Summaries, 1970-1974 on Post-Secondary Education Institutions."

A series of technical papers were developed by Systems Research Inc., Los Angeles, California, which might provide for an updating of the bases of information previously used to support the analyses and work of the National Commission on the Financing of Postsecondary Education. In addition to the update of these information bases, a series of issues were identifled throughout the conference series, particularly in the regional conferences, for which additional information was needed. These reports provide this additional information.

21. Wood, Robert C., "Remarks Before the Boston Conference." Dr. Wood, president of the University of Massachusetts, articulates the need for higher priority to be given to higher education. He observes that without increased public priority for postsecondary education the private universities may well suffer more than the public universities. He cited several areas where major increases would be needed in funding support in order to meet this priority. These areas include the Basic Educational Opportunity Grants program, the Fund for the Improvement of Postsecondary Education and federal support for consortium and interstate regional cooperation and other forms of public/private cooperation.